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FM AMCONSUL SAO PAULO
TO RUEHC/SECSTATE WASHDC MMEDIATE 5618
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE
RUEHBR/AMEMBASSY BRASILIA PRIORITY 6693
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TAGS: KMDR OPRC OIIP ETRD BR

SUBJECT: MEDIA REACTION: MIDDLE EAST: ISRAEL/HIZBULLAH COMBAT; WESTERN HEMISPHERE: CUBA: CASTRO'S HEALTH; SAO PAULO

11. "No One Won"

Liberal, largest national circulation daily Folha de S. Paulo (8/15) editorialized: "Following a month of fighting and more than a thousand deaths, a ceasefire has finally been established between the Israeli Army and Lebanese militia Hizbullah. Both were defeated... The Israelis have found out that to partially leave the West Bank and build a fence surrounding the Palestinians is not enough to protect them from enemies. Hizbullah's situation is not better... The militia suffered major losses... It is true that the Lebanese united around the group, which symbolized the resistance against the attacker. But it will not take much time until two-thirds of non-Shiite Lebanese begin to realize that they were attacked because of Hizbullah. It will not be a surprise if, when things become calm, internal pressures towards disarming the group emerge. Let's hope that their respective defeats are able to lead both sides to take concrete steps towards peace."

12. "War In Lebanon Will Cost Dearly To All"

An editorial in business-oriented Valor Economico (8/15) opined: "If unexpected developments - always a risky premise in the Middle East - do not occur, 15,000 Lebanese soldiers and a UN 15,000-troop multilateral force will replace Israeli soldiers who will have to withdraw... The effects of the use of devastating force by Israel are far from being restricted to the physical destruction of Lebanon... Israel counted on the US's total support and the sympathy of the immense majority of Israelis to invade Lebanon. This support was not sufficient because the military mission's goal of destroying Hizbullah's operational capability was unrealistic.... Supported by Syria and Iran, Hizbullah will be a key factor during the ceasefire... Hizbullah seems to be stronger and more united than the Lebanese political force, which will hardly impose its will on the group. If the Israeli rightwing becomes strengthened and the trends of destruction of Lebanon are confirmed, then another failure of US policy for the region will occur."

¶3. "Rural Cuba"

Agronomist Xico Graziano commented in center-right O Estado de S. Paulo (8/15): "With Fidel Castro's illness, no one knows what may happen when Cuban socialism collapses... Insecurity threatens Cuba. The loss of the commander may open the door to expectations and there is no feasible way to meet them. There will be popular frustration. The island will need help. Like a vulture, Chvez, the Venezuelan caudillo, has already offered his petrodollars to buy bankrupted sugar plants. Poor Cuba. It gets rid of Fidel Castro's

long and monotonous speeches, but risks falling into the retrograde claws of Bolivar's reincarnation. It is too unlucky."

McMullen